

Current Support Brief

KHRUSHCHEV APPLAUDS OVERTAKING THE US
IN PRODUCTION OF CEMENT
"THE BREAD OF CONSTRUCTION"



CIA/RR CB 63-45

8 May 1963

CENTRAL INTELLIGENCE AGENCY

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KHRUSHCHEV APPLAUDS OVERTAKING THE US
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Soviet officials are fond of describing cement as "the bread of the Soviet construction industry." The following interchange during Khrushchev's speech at the RSFSR conference of industrial and construction workers thus symbolized a high point for the USSR in the competitive struggle for economic development on Soviet terms 1/:

Khrushchev: Today, for instance, I have read the arguments of an American economist who writes that apparently in two or three years' time the Russians will catch up with America in the production of steel and cement.

Voice [out of the past, apparently]: We have already caught up in cement production.

Khrushchev: Yes, in cement production we have already caught up and surpassed them

If the definition of US production is changed to meet Soviet terms by excluding masonry cement, then US production in 1962 was 56.3 million metric tons compared with 57.3 million tons produced in the USSR. If masonry cement is included, however, Soviet production in 1962 was still 1.6 million tons below that of the US.* With the 1963 Soviet plan set at 63.2 million tons -- a goal likely to be fulfilled -- there is little doubt that the USSR will unequivocally surpass the US in cement production this year. With all the present problems in Soviet construction, however, overtaking the US in cement production is small compensation.

* Inclusion or exclusion of masonry cement is arbitrary. The US for many years has produced a high-quality masonry cement, whereas the USSR still uses on-site cement or a noncement masonry binder to mix mortar.

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Surpassing the US in gross production of cement is only one aspect of the Soviet-US competition in this field, and one that obscures certain shortcomings of the Soviet cement industry. The average quality of US cement, for example, is considerably higher than that of Soviet cement. The quantity of cement required to make concrete of a given strength varies with the quality of cement used, and these differences are quantifiable. Thus the volume of cement produced in the US in 1962 was approximately equivalent to 67.6 million tons of Soviet cement, which is more than the Soviet production plan for 1963. Several Soviet cementologists and construction economists have in fact been so bold as to point out that if the Soviet cement industry would meet the quality plans, the result would be the same as having several additional million tons of cement available for construction.

Soviet officials also frequently appear to be making a loose and easy connection between "the bread of the construction industries" in the US and USSR and the size of the Soviet construction program. However, in addition to differences in quality and essential differences in the inputs mixture and structure of construction in the two countries, there is the simple fact that the surpassing of the US by the USSR in gross tonnage of cement produced has not been accompanied by a comparable achievement in the volume of construction. Using US weights, it is estimated that the total volume of construction put in place in the USSR in 1960 was about 70 percent of that in the US, although it should also be noted that the Soviet volume had risen from only 45 percent of the US volume as of 1956 as a result of the rapid growth in Soviet construction achieved through 1960.* Although differences in the quality of construction are less important in considering the rapid growth in the volume of construction in the USSR, such differences are quite important in international comparisons. There is no denying the markedly higher average quality of US construction and appointments, but these differences are not quantifiable except to note that if they were taken account of, the ratio of Soviet construction to US construction would be lowered.

* Present indications are that use of the Soviet-weighted ruble-dollar ratios in construction would lower the ruble value of US construction and would thereby result in some increase in the ratio of Soviet to US construction.

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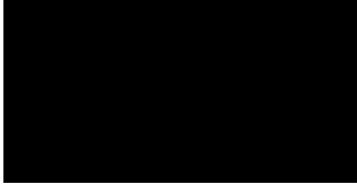
Finally, in the context of the current debate on growthmanship, it is small consolation to note that the US has a greater potential for production of cement than has the USSR. In 1962 the Soviet cement industry was producing at a rate close to its effective production capacity, whereas the US cement industry was operating at only three-fourths of its effective capacity. Therefore, roughly speaking, the US could have produced 78 million tons of cement in 1962.

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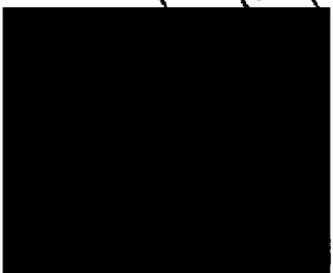
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